

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
AUGUST 14, 2013**

LOCATION: Office of the Comptroller of the Currency, 400 7th Street SW, Washington, DC 20024.

ATTENDEES

ASC MEMBERS: FRB – Art Lindo (Chair)
OCC – Darrin Benhart (Vice Chair)
CFPB – Mira Marshall
FHFA – Robert Witt
HUD – Ada Bohorfoush
NCUA – Tim Segerson

ASC STAFF: Executive Director – Jim Park
Deputy Executive Director – Denise Graves
General Counsel – Alice Ritter
Attorney-Advisor – Dan Rhoads
Financial Manager – Girard Hull
Regulatory Affairs Specialist – Claire Brooks
Administrative Assistant – Brian Kelly

OBSERVERS: Appraisal Foundation – David Bunton
Appraisal Foundation – Cathy Johnson
Appraisal Institute – Brian Rodgers
Real Estate Valuation Advocacy Association – Donald Kelly
Wells Fargo – Penny Reed
FDIC – Suzy Gardner
FRB – Ginny Gibbs
FRB – Kevin Wilson
FRB – Carmen Holly

The Meeting was called to order at 10:40 a.m. by A. Lindo. D. Benhart attended via telephone.

<OPEN SESSION>

1. Opening Remarks

A. Lindo welcomed the observers to the Meeting.

J. Park reported on ASC staff activities since the ASC's July 10th Meeting. He and D. Graves attended an Appraisal Standards Board (ASB) meeting on July 18-19th. On July 19th the ASB held a public hearing to accept input regarding potential changes to the 2016-17 edition of USPAP. The ASB accepted written and oral comments from panelists on five separate panels representing Federal Regulators, State appraiser regulatory agencies, professional appraisal societies, users of appraisal services, and litigators and litigation appraisers. The Federal regulators were represented by A. Lindo, FRB, and B. Parson, OCC. J. Park represented the ASC staff. ASC staff also attended conference calls held by the Appraiser Qualifications Board (AQB) and the Appraisal Practices Board (APB).

2. Summary Agenda

- **July 10, 2013 minutes – Open Session**

M. Marshall made a motion to approve the July 10th open session meeting minutes as presented. T. Segerson seconded and all members present voted to approve.

3. Discussion Agenda

- **ASC 2014-18 Strategic Plan**

A. Bohorfoush made a motion to remove this item from the agenda and place it on the September 11, 2013 open session agenda. T. Segerson seconded and all members present voted to approve.

- **Appraisal Foundation 2014 Grant Proposal**

D. Bunton presented the Appraisal Foundation's 2014 grant proposal in the amount of \$803,450. D. Bunton discussed the activities of the AQB and the ASB. The 2014 proposal includes the development and implementation of a Level Three Investigator Training course which would focus on testifying and report writing for State investigators. Funding is also requested to support the transition to a new examination vendor to develop an exam that randomly selects the questions for each exam, thereby improving exam security.

R. Witt inquired if the Foundation could offset travel costs by using video conference technology or web-based training for courses such as report writing. D. Bunton responded that historically participation in video training has been less than desirable, but a webinar that allows active participation could be explored. He stated that, on average, the cost of the on-site investigator training courses is approximately \$1,800 per student. D. Graves added that the on-site training allows for State staff to discuss various issues found in their States with peers. On-site

training also permits the instructors to gear the training toward these State-specific issues when necessary.

- **Delaware Compliance Review**

D. Graves presented the Delaware Compliance Review Report and letter. Delaware was found to be “Not in Substantial Compliance” with Title XI. ASC staff recommends retaining Delaware on a two-year Review Cycle with a Follow-up Review in approximately three months and continued off-site monitoring. A. Bohorfoush moved to approve the Delaware Compliance Report and letter as presented. M. Marshall seconded and all members present voted to approve.

- **District of Columbia Compliance Review**

D. Graves presented the District of Columbia Compliance Review Report and letter. The District of Columbia was found to be “Not in Substantial Compliance” with Title XI. ASC staff recommends retaining the District of Columbia on a two-year Review Cycle. A. Bohorfoush moved to approve the District of Columbia Compliance Review Report and letter as presented. M. Marshall seconded and all members present voted to approve.

- **Update on the Implementation of the revised ASC Policy Statements**

J. Park provided an update on the implementation of the revised ASC Policy Statements. Feedback provided to ASC staff concerning the revised Policy Statements has been very positive. The condensed summary at the end of each Policy Statement has been very helpful to States in providing additional guidance. G. Gibbs asked when the first Compliance Review will be presented to the ASC under the new rating system established in the Policy Statements. D. Graves responded that Maine’s Compliance Review was signed under the Chairman’s delegated authority and the State was awarded an ASC Finding of Excellent. J. Park informed the ASC that staff is developing a set of Frequently Asked Questions (FAQs) on the revised Policy Statements. These FAQs will be uploaded to the ASC website and may also be used in a future webinar for the States. Additionally, J. Park said he has been invited by the Appraisal Institute to attend their upcoming discussion pertaining to the Policy Statements and other regulatory issues.

The Open Session adjourned at 11:07 a.m. into Closed Session and the observers left the Meeting. The next scheduled Meeting is for September 11, 2013.